
Appendix D:

Returns on Greenway Investment

Many communities across the United States do not look upon greenway development as a cost, but more as an investment in the proper management of green infrastructure and native landscape resources. Communities like Denver, Minneapolis, Chicago and Portland, have realized that for every \$1 invested in greenway facility development, \$3 in income is derived from greenway-related or greenway-generated activities. Although most of the costs for future greenway facility development in Lexington-Fayette County will be borne by the Urban County, investing dollars in greenways should yield a substantial return to the community as a whole. This return could be in the form of reduced flooding costs, reduced costs of water quality improvement, increased tourism revenue, reduced transportation costs, increased property values and increased business attraction.

Increased Business Revenue:

- Orange County, Florida spent \$2 million to create the 16-mile West Orange Greenway, and expects to realize a complete return on its investment in the first year of operation through the economic revitalization of the small towns that lie along the trail's route.
- The Northern Central Rail Trail attracts 457,000 visitors every year and has led to the creation and support of 262 jobs in Baltimore County, Maryland. These positions range from trail construction and maintenance work, to jobs in local restaurants and hotels serving trail users, to added positions in regional sporting goods companies and supermarket chains due to increased business. A study found that the trail's cost to the public in 1993 was \$191,893, and it generated \$303,750 that same year in tax revenue—a result of increased sales, property and income taxes resulting from the Trail.
- East Grand Forks, Minnesota, population 5,000, suffered one of the worst flood disasters in U.S. history. Ninety-five percent of the town was under floodwaters in April 1997. With the flood recovery efforts in full swing in 1999, Cabelas

(one of the largest outdoor retailers in North America) opened a new store in the recently restored downtown, right on the banks of the Red River. Cabelas specifically chose the downtown over Interstate highway locations due to its proximity to the newly planned Red River Greenway, a 2,200-acre facility. Cabelas estimated that, in the first year of operation, approximately one million people would visit the store. They underestimated the popularity by one-half. Today, East Grand Forks boasts a thriving economy that it can thank, in large part, to the presence of the Greenway.

Increased Property Values:

- In Shephard's Vineyard, an Apex, North Carolina neighborhood, the neighborhood greenway is used as a selling point for nearby properties and has increased the value of adjacent properties. The developer of this community concluded that "property immediately adjacent to the trail is significantly easier to sell, and sells for an average of \$5,000 more, as a result of its proximity to the trail."

Decreased Transportation Costs:

- According to the Federal Highway Administration, the public saves from 5 to 22 cents for every automobile mile displaced by bicycling or walking. This savings comes from the reduced costs of air pollution (health costs), oil importation, and traffic congestion (such as lost wages and lost time on the job).
- A household can save \$3,000 a year by giving up one automobile and taking advantage of bicycling, walking, and transit.

Decreased Costs of Clean Water:

- Over the next decade, New York County plans to spend \$250 million on watershed protection, including the acquisition of greenway lands along riparian corridors, in order to avoid spending \$5 billion on a federally mandated water filtration system.

Decreased Health Costs:

- People who exercise regularly, including bicyclists and pedestrians, have 14 percent lower claims against their medical insurance and spend 30 percent fewer days in the hospital (National Park Service, "Economic Impacts of Protecting Rivers, Trails, and Greenway Corridors").

Decreased Criminal Activity:

- Evidence suggests that crime rates frequently drop dramatically when recreation opportunities are improved. To avoid spending \$30,000 to keep one teenager in detention for a year,

communities are investing money in greenways and other recreation facilities as crime prevention tools. According to recent research in Mecklenburg County, North Carolina, regarding crime in the Mallard Creek Greenway area, it has been found that the crime rates for the Mallard Creek Greenway and adjacent properties are significantly lower than both the overall Mallard Creek Police district and other parts of Mecklenburg County. People who live along the Mallard Creek Greenway are, in fact, at less risk for crime. Less money will be spent on crime prevention and patrol in this area.